



# **Medicare Prescription Drug Coverage**

## **Important Facts for State and Local Government Officials**

- ★ **Important Dates**
- ★ **Drop-in article for your newsletter**
- ★ **A fact sheet on Medicare prescription drug coverage**
- ★ **Copies of the CMS notice and SSA letter**
- ★ **What People Need to Know Fact Sheet**
- ★ **Contacts for additional information**

**For More Information Visit: [www.medicare.gov](http://www.medicare.gov)**

**or**

**Call 1-800-Medicare (TTY-887-486-2048)**

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see mockup**

# Important Information for State and Local Government Officials

The Medicare Prescription Drug Benefit takes effect in January 2006. The Centers for Medicare & Medicaid Services (CMS) is working to implement this important new benefit. You, our partners in state and local government, will play an important role in helping reach many people with Medicare who need information about the new prescription drug coverage. We developed this resource guide to give you the information you need to help your constituents understand the new drug benefit.

Beginning January 1, 2006, Medicare will provide drug coverage that:

1. Is available to all people with Medicare
2. Helps pay for the prescriptions that people with Medicare need
3. Provides additional help for those who need it most
4. Pays for both brand name and generic drugs
5. Allows people with Medicare to choose between at least two Medicare prescription drug plans

In preparing for enrollment, there are several key dates that may result in your hearing from your constituents.

- ✓ Information is now being mailed to people with low incomes:
  - A Medicare notice will be sent to people who receive Medicaid and Medicare informing them that they will be automatically enrolled;
  - Social Security Administration is sending a letter and application to people who have been identified as having incomes low enough to qualify them for help with the costs of the new program. They may be eligible to have approximately 95% of their drug costs covered by the Medicare prescription drug benefit. **THEY SHOULD APPLY.**
- ✓ On November 15, 2005, people with Medicare can sign up for a Medicare prescription drug plan to help lower their drug costs

Thank you for your valuable contribution in this important effort. We look forward to working with you in the coming months as we spread the message about Medicare's new prescription drug coverage to America's seniors and people with disabilities.

We encourage you to copy and distribute this information. We will provide more information to you as it becomes available.

June 2005



## Medicare Prescription Drug Coverage

# Drop in Article for Your Newsletter

Did you know that Medicare will begin offering prescription drug coverage beginning January 1, 2006?

Beginning January 1, 2006, Medicare will offer prescription drug coverage to all eligible Medicare beneficiaries. This important new benefit will:

- ✓ Will be available to all people with Medicare
- ✓ Help people with Medicare pay for the prescriptions that you need
- ✓ Provide additional help for those who need it most
- ✓ Pay for both brand name and generic drugs
- ✓ Allow people with Medicare to choose between at least two Medicare prescription drug plans.
- ✓ Allow convenient access to local pharmacies.

If you have Medicaid and Medicare, SSI or have incomes below \$14,355 for a single person or \$19,245 for a couple, you will receive a notice from Medicare or a letter from Social Security. Everyone will receive information this fall. Enrollment begins November 15, 2005.

To find out more visit [www.cms.hhs.gov/medicarereform](http://www.cms.hhs.gov/medicarereform) or go to the Social Security Administration's web site <http://www.ssa.gov/organizations/medicareoutreach2/>.

You can also call your local State Health Insurance Assistance Program (SHIP).

# Medicare Prescription Drug Coverage Basics

## What are the Medicare prescription drug plans?

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Beginning January 1, 2006, prescription drug coverage will be available to all Americans with Medicare. Every person with Medicare, no matter how they get their health care today or whether they have existing drug coverage will be eligible for drug coverage under a Medicare prescription drug plan. Insurance companies and other private companies will work with Medicare to offer these drug plans. Medicare prescription drug plans will be available in every part of the country, and all plans will cover both brand name and generic drugs.

Medicare prescription drug plans provide insurance coverage for prescription drugs. Like other insurance, if people with Medicare join they will pay a monthly premium (generally around \$37 in 2006) and pay a share of the cost of their prescriptions. Costs will vary depending on the drug plan that is chosen.

Drug plans may vary in what prescription drugs are covered, how much someone has to pay, and which pharmacies can be used. All drug plans will have to provide at least a minimum standard level of coverage, which Medicare will set. However, some plans might offer more coverage and additional drugs for a higher monthly premium. When a person with Medicare joins a drug plan, it is important for them to choose one that meets their prescription drug needs.

A person in a Medicare prescription drug plan that covers the minimum standard would expect to pay a \$250 deductible and then 25% of their drug costs up to an out-of-pocket limit of \$2,250. Medicare drug coverage includes coverage which begins when a person with Medicare drug coverage spends \$3,600 for covered drugs in a year. Once this level is reached, the person pays only 5 percent of their drug costs. Again, some plans will offer additional coverage, this is a description of the minimum that must be offered.

## When can people with Medicare join the Medicare prescription drug plans?

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Those people who have Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance), can join a Medicare prescription drug plan between November 15, 2005, and May 15, 2006. If they join by December 31, 2005, their Medicare prescription drug plan coverage will begin on January 1, 2006. If they join after that, their coverage will become effective the first day of the month after the month they join. In general, they can join or change plans once each year between November 15 and December 31.

Everyone should join a plan. Even if someone doesn't use a lot of prescription drugs now, they still should consider joining a plan. If they don't join a plan by May 15, 2006, and don't have a drug plan that covers as much or more than a Medicare prescription drug plan, they will have to pay more if they decide to join later.

## Is there additional assistance for those who need it?

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People who qualify for extra help paying for Medicare prescription drug costs will get continuous coverage with a small out of pocket cost. The amount they pay out of pocket depends on their income and resources. A beneficiary with limited income and resources who enrolls in a prescription drug coverage plan and qualifies for the most generous help will have more than 95 percent of their drug costs covered.

Certain low-income beneficiaries will automatically qualify for the additional help and then will enroll in a prescription drug plan during the regular enrollment period beginning November 15.

## Do Medicare prescription drug plans work with all types of Medicare health plans?

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Yes. Medicare prescription drug coverage will be offered by many Medicare Health Plans (Medicare Advantage Plans and Medicare Cost Plans) and by stand alone Medicare Prescription Drug Plans. People in the Original Medicare Plan will need to enroll in a Medicare Prescription Drug Plan (P-D-P) to get drug coverage.

# Medicare Prescription Drug Coverage Basics

## **What if someone already has prescription drug coverage from a Medigap (Supplemental Insurance) Policy?**

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Those who have a Medigap policy with drug coverage will get a detailed notice from their insurance company telling them whether or not their prescription drug coverage is generally at least as good as standard Medicare prescription drug coverage. If their Medigap coverage is at least as good as Medicare's coverage, if they decide to keep their current drug coverage, they may be able to buy a Medicare prescription drug plan later without having to pay a higher premium. However, most Medigap prescription drug coverage is not at least as good as Medicare prescription drug coverage.

## **What if someone has prescription drug coverage from an employer or union?**

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Those who have prescription drug coverage from an employer or union will get a notice from their employer or union that tells them if their coverage is generally at least as good as standard Medicare prescription drug coverage.

### **If the employer or union plan covers as much as or more than a Medicare prescription drug plan the person with Medicare can...**

- keep their current drug plan. If they join a Medicare prescription drug plan later their monthly premium won't be higher (no surcharge), or
- drop their current drug plan and join a Medicare prescription drug plan, but they may not be able to get their employer or union drug plan back.

### **If the employer or union plan covers less than a Medicare prescription drug plan the person with Medicare can...**

- keep their current drug plan and join a Medicare prescription drug plan to give them more complete prescription drug coverage, or
- just keep their current drug plan. But, if they join a Medicare prescription drug plan later, they will have to pay at least 1% more for every month they waited to enroll after May 15, 2005, or
- drop their current drug plan and join a Medicare prescription drug plan, but they may not be able to get their employer or union drug plan back.

## **What effect will the prescription drug plan have on beneficiaries who get help with their home heating/cooling expenses through the Low Income Home Energy Assistance Program (LIHEAP)?**

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They will not lose their energy assistance. States set eligibility levels for home energy assistance based on your income without regard to your medical expenses.

## **What effect will the Medicare prescription drug plan have on beneficiaries who are food stamp and HUD recipient**

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Food stamp and HUD recipients who qualify for extra help paying for a Medicare prescription drug plan will be better off enrolling in a Medicare prescription drug plan, even if this new coverage reduces their food stamp or HUD benefits. They will get significantly more help and protection in drug coverage than they will lose from the reduction in food stamps or HUD.

For additional information, please contact CMS Media Affairs – 202-690-6145



# Introduction to the “Important Information from Medicare about Paying for Prescription Drugs” Notice

## What Is the Purpose of This Notice?

The “Important Information from Medicare about Paying for Prescription Drugs” notice is designed to make people who are automatically eligible for extra help paying for prescription drugs aware that Medicare prescription drug coverage is coming, and to let them know that they will get this help without needing to apply for it.

There are three versions of this notice: one for people with Medicare and Medicaid, one for people in a Medicare Savings Program (MSP), and one for beneficiaries who get Supplemental Security Income (SSI).

## Who Will Receive This Notice?

Medicare will mail the “Important Information from Medicare about Paying for Prescription Drugs” notice to all people with Medicare who are automatically eligible to receive extra help paying for a Medicare prescription drug plan. These individuals do not have to apply to receive the extra help, but will get it automatically.

Seven million people who have Medicaid and Medicare and are in an MSP will receive this notice, along with 400,000 people who have Medicare and SSI.

This summer, other people who do not automatically get the extra help, but who have been identified as potentially eligible for it, will get a different letter from the Social Security Administration (SSA) telling them that they can apply to get help from Medicare to pay the cost of prescription drugs.

## When Will People Get This Notice?

Most people with Medicare and Medicaid and people in an MSP will get the Medicare notice in May 2005. People who get SSI only and people with Medicaid or in an MSP who live in Illinois, Wisconsin, South Carolina, Florida, Vermont and Maryland will get the notice in June 2005.

## What Should People Do Next?

People who receive this notice do not have to do anything now. In the fall of 2005, they have the opportunity to join a Medicare prescription drug plan in their area. Medicare will be sending them more information about choosing and enrolling in a Medicare prescription drug plan.

- If people who have Medicare and Medicaid do not choose a plan on their own by December 31, 2005, Medicare will enroll them in a plan. This way, they do not lose a day of prescription drug coverage once their Medicaid drug coverage ends on December 31, 2005.
- If people who are in an MSP or get SSI do not choose a plan on their own by May 15, 2006, Medicare will help them to enroll in a plan (effective June 1, 2006) so they pay the lowest premium.

If people have questions about the information in the notice, direct them to do the following:

- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- Visit [www.medicare.gov](http://www.medicare.gov) on the web.
- Look for their “Medicare & You” 2006 handbook in the mail this fall for more information about choosing and enrolling in a Medicare prescription drug plan.



## Important Information from Medicare about Paying for Prescription Drugs

Beginning January 1, 2006, all people with Medicare can get Medicare prescription drug coverage.

Our records show that you currently have Medicare and Medicaid, and Medicaid now pays for your prescription drugs.

(Medicaid is the program in your State that pays health care costs for people with limited income and resources. It may be called something different in your State.)

**Starting January 1, 2006, Medicare will pay for your drugs instead of Medicaid.**

Medicaid will stop paying for your prescription drug coverage after December 31, 2005. Medicaid will still pay for your other health care costs.

**Medicare will help pay the cost of your Medicare prescription drugs. You will need to pay a small copayment for each prescription.**

Other people will get mail from the Social Security Administration (SSA) telling them that they can apply to get help from Medicare to pay the cost of Medicare prescription drugs. **You won't get this mail from SSA, because we already know you will get this help.**

This fall your "Medicare & You 2006" handbook will include information about how Medicare will pay for your drug costs and what you will need to do.

Remember, you don't need to do anything now. If you have questions about the information in this letter

- Call 1-800-MEDICARE (1-800-633-4227).  
TTY users should call 1-877-486-2048.
- Visit [www.medicare.gov](http://www.medicare.gov) on the web.
- Look for your "Medicare & You" handbook in the fall.

Para obtener una copia de este aviso en español, llame gratis al 1-800-MEDICARE (1-800-633-4227). Los usuarios de TTY deben llamar al 1-877-486-2048.



# Social Security Administration

## Important Information



**Our records show you may be eligible to get extra help paying for your prescription drugs.**

Soon, a new Medicare Prescription Drug program will take effect. The new program will give you a choice of prescription plans that offer various types of coverage.

You may be able to get extra help to pay for the annual deductible, premiums and co-payments related to the new Medicare Prescription Drug program—an average of \$2,100 in extra help.

But before we can help you, **you must fill out the application, put it in the enclosed envelope, and mail it today.** Or you may complete an online application at [www.socialsecurity.gov](http://www.socialsecurity.gov) beginning July 1, 2005. We will review your application and send you a letter to let you know if you qualify for extra help. We also will send you information about the Medicare Prescription Drug program and tell you what you should do next.

If you need help completing the application, call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**). You can find more information at [www.socialsecurity.gov](http://www.socialsecurity.gov).

If you need information about the new Medicare Prescription Drug program, call 1-800-MEDICARE (TTY 1-877-486-2048) or visit [www.medicare.gov](http://www.medicare.gov).

Mailing your application today will allow us to give you a quicker decision about whether you qualify for the extra help.

Jo Anne B. Barnhart  
Commissioner



# The Choices You Have for Part D Plans Depend on What Kind of Health Coverage You Have Now.

## People with Medicare Need To Know

- Everyone with Medicare can get Medicare Prescription Drug Coverage.
- Coverage starts January 1, 2006.
- You must join to get coverage.
- You can join from November 15, 2005-May 15, 2006.
- If you don't join by May 15, 2006, you may have to wait until November 15, 2006 and you may pay a higher premium.
- There's extra help for those who need it most.
- Medicare Prescription Drug Coverage covers brand name and generic drugs.
- Compare and join a Medicare prescription drug plan that meets your needs.
- You'll get a list of plans and their costs mailed to you in the *Medicare & You Handbook* this October.
- Compare and join a Medicare prescription drug plan that meets your needs.

## People with Employer or Union Drug Coverage Need to Know

- Medicare is working with employers and unions to help you keep the coverage you have.
- Contact your benefits administrator to decide whether you should keep your current coverage. You may be able to keep your current coverage and not pay a higher premium if you join a Medicare prescription drug plan after May 15, 2006.
- If you drop your employer or union coverage, your eligibility for your employer/union plan may be affected. You also may not be able to drop your employer or union drug coverage without also dropping your employer or union health coverage.
- You may qualify for extra help paying for your prescriptions.

## People with Fee-for-Service and Medigap Need to Know:

- You can't have both Medigap prescription drug coverage and Medicare prescription drug coverage at the same time
- You will get a detailed notice in the mail from your Medigap insurance company describing your choices for prescription drug coverage in the fall. Read it carefully before making any decisions.
- Most prescription drug coverage offered by Medigap policies, on average, is not as good as standard Medicare prescription drug coverage. This means, in most cases, if you keep your Medigap prescription coverage, and don't join a Medicare prescription drug plan by May 15, 2006, you will have to pay a higher premium for joining later.

## People in Managed Care Need to Know:

- If you currently have drug coverage, you can stay in your plan and have Medicare prescription drug coverage.
- If you do not have drug coverage you can stay in your plan and add a Medicare prescription drug plan.

# The Choices You Have for Part D Plans Depend on What Kind of Health Coverage You Have Now.

## Those Who Automatically Qualify for Extra Help (People with both Medicare and Medicaid) Need to Know:

- You automatically qualify for extra help. You don't need to apply.
- If you get your prescription drugs from Medicaid, Medicare will begin paying for your prescription drugs starting January 1, 2006.
- Your coverage will come from a Medicare prescription drug plan starting January 1, 2006.
- If you don't join a plan by December 31, 2005, Medicare will enroll you in a drug plan to make sure your coverage continues.

## Those Who Automatically Qualify for Extra Help (People with both Medicare and who belong to a Medicare Savings Program or who receive SSI) Need to Know:

- You automatically qualify for extra help.
- You must join a prescription drug plan to get coverage.
- If you don't join a plan by May 15, 2006, Medicare will enroll you in a drug plan for coverage effective June 1, 2006, to make sure you get help paying for your prescription drug costs.

## Those Who Must Apply for the Extra Help (People with Medicare with limited income and resources) Need to Know:

- You must apply to SSA or your state agency for the extra help paying for the yearly deductible, monthly premium and coinsurance and or co-payments.
- You must join a prescription drug plan to get coverage.
- If you qualify for a low income subsidy and, you don't join a plan by May 15, 2006, Medicare will enroll you in a drug plan so that your coverage is effective June 1, 2006 to make sure you get help paying for your prescription drug costs.



# State Health Insurance Assistance Contact Information

*"Your state receives a CMS State Health Insurance Assistance Program (SHIP) grant to support local personalized counseling and assistance to people with Medicare and their families. To contact the SHIP in your state, please consult this listing."*

**ALABAMA**

Ph: (334) 353-9636

**ALASKA**

Ph: (907) 269-3669

**ARIZONA**

Ph: (602) 542-6439

**ARKANSAS**

Ph: (501) 371-2785

**CALIFORNIA**

Ph: (916) 323-0581

**COLORADO**

Ph: (303) 894-7552

**CONNECTICUT**

Ph: (860) 416-7206

Ph: (860) 424-5322

**WASHINGTON, DC**

Ph: (202) 496-6240

Ph: (202) 727-8367

**DELAWARE**

Ph: (302) 739-4251

x174

**FLORIDA**

Ph: (850) 414-2157

**GEORGIA**

Ph: (404) 657-5347

**GUAM**

Ph: (671) 735-7382

**HAWAII**

Ph: (808) 586-4797

**IDAHO**

Ph: (208) 334-4350

**ILLINOIS**

Ph: (217) 524-1631

**INDIANA**

Ph: (317) 233-3551

**IOWA**

Ph: (515) 242-5190

**KANSAS**

Ph: (785) 368-7331

**KENTUCKY**

Ph: (502) 564-7372

**LOUISIANA**

Ph: (225) 342-6334

**MAINE**

Ph: (207) 287-9207

**MARYLAND**

Ph: (410) 767-1100

**MASSACHUSETTES**

Ph: (617) 222-7436

**MICHIGAN**

Ph: (517) 886-1339

Ph: (517) 373-4071

**MINNESOTA**

Ph: (651) 296-3839

**MISSISSIPPI**

Ph: (601) 359-5131

**MISSOURI**

Ph: (573) 893-7900 Ext. 191

**MONTANA**

Ph: (406) 444-7870

**NEBRASKA**

Ph: (402) 471-2599 or  
x4506

**NEVADA**

Ph: (702) 486-3796

**NEW HAMPSHIRE**

Ph: (603) 223-4158

**NEW JERSEY**

Ph: (609) 943-3378

**NEW MEXICO**

Ph: (505) 255-0971

**NEW YORK**

Ph: (518) 473-7259

**NORTH CAROLINA**

Ph: (919) 733-0111

**NORTH DAKOTA**

Ph: (701) 328-9604

**OHIO**

Ph: (614) 644-3399

**OKLAHOMA**

Ph: (405) 521-6628

**OREGON**

Ph: (503) 947-7263

**PENNSYLVANIA**

Ph: (717) 783-8975

**PUERTO RICO**

Ph: (787) 725-4300

**RHODE ISLAND**

Ph: (401) 462-0508

Ph: (401) 222-2894

Ext. 319

**SOUTH CAROLINA**

(Ph: 803) 734-9902

**SOUTH DAKOTA**

Ph: (605) 773-3656

Ph: (605) 336-6722

**TENNESSEE**

Ph: (615) 741-3745

**TEXAS**

Ph: (512) 438-4205

**UTAH**

Ph: (801) 538-3910

**VERMONT**

Ph: (802) 748-5182

**VIRGINIA**

Ph: (804) 662-7050

**VIRGIN ISLANDS**

Ph: (340) 772-7368

**WASHINGTON**

Ph: (206) 389-2752

**WEST VIRGINIA**

Ph: (304) 558-3317

**WISCONSIN**

Ph: (608) 267-3201

**WYOMING**

Ph: (307) 777-7401

Ph: (307) 856-6880



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# CENTERS FOR MEDICARE & MEDICAID SERVICES

## Regional Map and Contact Information



### REGIONAL OFFICES

### PHONE NUMBERS

	Centers for Medicare & Medicaid Services	Social Security Administration
REGION I – BOSTON	617-565-1188	617-565-2881
REGION II – NEW YORK	212-616-2205	212-264-2500
REGION III – PHILADELPHIA	215-861-4140	215-597-4456
REGION IV – ATLANTA	404-562-7150	404-562-5500
REGION V – CHICAGO	312-886-6432	312-575-4053
REGION VI – DALLAS:	214-767-3407	214-767-6427
REGION VII– KANSAS CITY	816-426-5233	816-936-5740
REGION VIII – DENVER	303-844-2111	303-844-0840
REGION IX – SAN FRANCISCO	415-744-3501	510-970-8431
REGION X – SEATTLE	206-615-2660	206-615-2660

**For more information, call 1-800-MEDICARE, or visit [www.medicare.gov](http://www.medicare.gov)**